

NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the *Register* first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the *Arizona Administrative Register* after the final rules have been submitted for filing and publication.

NOTICE OF FINAL RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

PREAMBLE

1. Sections Affected
R19-2-113
- Rulemaking Action:
Amend
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
Authorizing statute: A.R.S. § 5-104(A)(2)
Implementing statute: A.R.S. § 5-109
3. The effective date of the rules:
March 7, 1996.
4. A list of all previous notices appearing in the Register addressing the final rule:
Notice of Docket Opening:
1 A.A.R. 2656, December 8, 1995
Notice of Proposed Rulemaking:
1 A.A.R. 2702, December 15, 1995
5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:
Name: William J. Walsh
Address: Department of Racing
15 South 15th Avenue, Suite 100
Phoenix, Arizona 85007
Telephone: (602) 542-5151
Fax: (602) 542-5177
6. An explanation of the rule, including the agency's reasons for initiating the rule:
The amendments recognize the breed registries for paint horses and mules. Also, the amendments incorporate the recommendations received from the Governor's Regulatory Review Council during the 5-year review.
7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable.
8. The summary of the economic, small business, and consumer impact:
The amendments recognize the mule and paint horse breed registries, a requirement for those animals to race in Arizona. It benefits owners by having additional places to run 3 animals and, therefore, a chance to win more money. The owners, if not already licensed as owners, will have to pay a fee of \$60 for a license good for 3 years. The racetracks may benefit by offering different types of races to entice new patrons to visit their facilities. The amendments have no impact on private individuals. State revenues are expected to remain the same.
9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):
The changes reflect the recommendations by GRRC from a courtesy review. The changes, all nonsubstantive, include removing archaic language, passive voice, and incorrect use of the word "shall." The changes also make the rules more clear and concise.
10. A summary of the principal comments and the agency response to them:
There were no comments.

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11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
Not applicable.
12. Incorporations by reference and their location in the rules:
Not applicable.
13. Was this rule previously adopted as an emergency rule?
No.
14. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 2. ARIZONA RACING COMMISSION

ARTICLE 1. HORSE RACING

Section

R19-2-113. Entries and Subscriptions

ARTICLE 1. HORSE RACING

R19-2-113. Entries and Subscriptions

A. No change.

1. ~~No horse~~ An owner or trainer shall not be allowed to register a horse for racing under these rules unless the horse is registered by the Jockey Club, the American Quarter Horse Association, the Arabian Horse Club Registry of America, Inc., or the Appaloosa Horse Club Inc., American Paint Horse Association, American Donkey and Mule Society, or American Mule Association.
2. ~~The names of all persons having~~ An owner or trainer shall list each person with an ownership interest in a horse shall be listed on the back of the horse's registration papers at the time the horse is entered.
3. No change.
4. ~~A The stewards shall consider a horse entered for a purse shall be a "starting horse" unless they declare the horse out of the race. it has been declared out by the stewards.~~
5. ~~The entry form to A person nominating a horse in a stakes race shall include the write his or her full name, and mailing address, and phone number on the nomination form. of the person making the entry~~
6. ~~No A person shall not enter a horse shall be entered in more than 1 race in 1 day.~~
7. ~~A horse An owner shall not be transferred transfer a horse to a new trainer after entry.~~
8. ~~A horse which, during the past calendar year, has started in a race at a recognized track which is not reported An owner shall not enter a horse if the horse's performance records for the preceding calendar year are not printed in the Daily Racing Form Monthly Chart Book, or unless the owner provides the horse's where such reports are not available, shall not be entered at a track licensed in Arizona unless the owner has furnished performance records to the racing secretary, prior to the time the horse is entered entry.~~
9. The owner or trainer shall sign and certify the performance record records shall be signed and certified to by either the owner or trainer and shall include the following information concerning for the horse's last 4 races in the record:
 - a. Where and when ~~said~~ the horse raced.
 - b. No change.
 - c. The finishing position and the time of ~~said~~ the race.
10. The 2nd half of an entry has no preference over a single entry except in stakes, and handicaps, and qualifying races. ~~where no more than 2 horses may make up the~~

~~entry or when qualifying is required.~~

11. An owner entering 2 or more horses in a race shall indicate, at the time of entering, such the owner's preference ~~of for~~ the horse that is to start in the event if the race overfills. Horses excluded as part of an entry ~~shall~~ receive no consideration.
12. No change.
 - a. ~~The racing secretary shall determine the number of "also-eligibles" If if the entries of any a race exceed the capacity of the starting gate, and the race is not to be divided, the number of "also-eligibles" shall be determined by the racing secretary.~~
 - b. ~~If the number of entries to a race is in excess exceed of the number of horses that may be permitted to start because of track limitations, the racing secretary shall determine the starters for the race shall be determined by lot in a drawing supervised by a steward and in the presence of witnessed by those making entries. If any of the first group of starters declares out, the racing secretary shall draw, by lot, an equal number of horses shall be drawn by lot from the "also-eligibles" to fill the vacancies in the race.~~
 - c. ~~Horses The racing secretary shall assign horses, other than quarter horses, which gain a position in a race from the "also-eligible" list shall take to the outside post positions in the order in which they are drawn from the list. Quarter The racing secretary shall assign quarter horses shall take to the stalls of the horses which are declared out.~~
 - d. ~~If a horse on the "also-eligible" list is not given the opportunity to start because of insufficient declarations, the racing secretary shall place the name of said the horse shall be placed on the preferred list. A The racing secretary horse shall not place a horse be placed on the preferred list if the owner thereof did not accept the opportunity to start when offered.~~
 - e. ~~Any A horse which whose owner, trainer, or authorized agent has drawn a its position in a race and enters entered it again for the next race day in which entries are taken shall be termed is called an "in today horse".~~
 - i. ~~If a race in which the a horse is entered overfills, the "in today horse" shall be given no consideration the racing secretary shall not consider the "in today horse" except in cases in which where the conditions read "Arizona Breds Preferred", stakes, and handicaps.~~
 - ii. ~~A The racing secretary shall not consider a horse on the "also-eligible" list shall not be considered as an "in today horse" until it has been given a position in the a race or an oppor-~~

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tunity to run.

- f. At tracks where ~~it is necessary to take~~ entries are taken 2 or more days ahead of the date of the race, an owner, trainer, or authorized agent may reenter a horse ~~may reenter~~ on the next date ~~after~~ if it has been placed on the "also-eligible" list. If it is drawn into a race from its position on the "also-eligible" list, it the horse shall be declared an "in today horse" and be withdrawn from the race the following day in favor of a horse on the "also-eligible" list of that race.

13. A person shall make a claim of preference shall be made at the time of entry ~~and noted by noting it~~ on the entry blank or the preference ~~shall will~~ be lost.

- a. When a horse has been entered in a race, a person shall withdraw a horse it shall be withdrawn only with permission of the stewards.

- b. A The racing secretary shall post a copy of the preferred list shall be posted each afternoon, and any person making a claim of error must be made shall do so by 10 a.m. of the following day. A The stewards shall not recognize a claim of error not made within after this time shall not be recognized by the stewards.

14. ~~Any~~ If owner or trainer who does not declare such owner's his or her horse from the "also-eligible" list by the prescribed time, the racing secretary prescribed therefor shall be deemed to be consider that owner or trainer willing to start such owner's the horse in the event of a scratch from the body of the race. -A The racing secretary horse shall not be placed place a horse on the preferred list if the owner thereof did not accept, when presented, the opportunity of starting to start a horse.

15. ~~An entry~~ A person may not be altered after an entry after the closing of entries. The racing secretary may correct an error but errors in an entry may be corrected at any time.

16. If the name of a horse is changed, the racing secretary shall publish the new name and the former name shall be published in the official entries for the horse's first 3 starts, after the change has been made. If the name of an Arizona bred horse is changed, # the racing secretary shall be reported report it to the Department in writing within 30 days, listing the new name and the former name.

B. No change.

1. ~~No horse~~ A person shall be entered not enter a horse in a race unless its certificate of foal registration, certificate of foreign registration, or racing permit is on file in the racing office of the track at which the horse is to race, except by or unless permission of is granted by the stewards. Foal certificates, which are registered with the racing secretary and are in transit between that office and the American Quarter Horse Association because of a transfer of ownership, shall be deemed to be are considered to be in the possession of the racing secretary.
2. No change.
3. No change.
4. ~~A The stewards shall not permit a horse shall not to run for a purse or stakes unless it has been entered in a race and continues to be duly entered is eligible for said the race.~~
5. ~~The stewards shall have the right to call on any may summon a person in whose name a horse is entered to produce proof that the horse entered is not the property, either wholly or in part, of any a person who is disquali-~~

fied, or to produce proof of the extent of ~~such a~~ person's interest or property in the horse. Failure to produce ~~such~~ satisfactory proof may result in the stewards declaring the horse out of the race.

6. A horse ~~shall not be is not qualified to enter for entry~~ if it is on the ~~schooling list, on the stewards', paddock judge's, starter's, or veterinarian's list, or if it has been ruled off.~~

7. ~~Performance~~ The racing secretary shall consider the performance records of horses racing on the county fair circuit shall be considered in determining to determine their eligibility at commercial meet races. County fair racing secretaries shall place all county fair wins on the back of the foal certificates.

8. ~~All horses~~ The owner, trainer, or authorized agent shall ensure that a horse that have has not started within 45 days shall have has 2 official works before starting at a commercial meet.

C. No change.

1. ~~No A person horse shall not start enter a horse in a race unless it has been fully identified and tattooed, unless otherwise authorized by the stewards. All persons A person who participate participates in any manner in establishing the identity of a horse, including the breeder, owner, trainer, and identifier, shall be is responsible for the accuracy of the information they provide: the person provides.~~
2. ~~No An owner, trainer, or authorized agent shall not start a horse shall start in any a race until all stakes, forfeits, entry fees, and arrears due on said the horse have been paid, by its owner, unless the owner has money to such owner's credit with the permittee and authorizes payment.~~
3. ~~A The racing secretary shall not permit a horse shall not become a starter to start in a stakes race unless it has passed the entry box on the day on which entries for the stakes race are taken.~~
4. ~~No horse shall start in any race An owner, trainer, or authorized agent shall not start a horse in a race unless all persons having an ownership interest in the horse or an interest in the winnings of the horse have been registered with the racing secretary.~~
5. ~~The racing secretary shall post the number of a horse shall be exhibited as soon as practicable saddle cloth numbers of the horses in a race after overnight entries are finally closed and post positions are drawn. If a horse whose number has been exhibited with an assigned saddle cloth number does not start or run the course, the stewards may require an explanation from the owner, trainer, or jockey.~~

D. No change.

1. The entrance to a purse race ~~shall be is~~ free unless otherwise stipulated in the conditions of the race. If the conditions require an entrance fee, the fee ~~shall accompany the is paid at the time of entry, provided, however, that the entrance fee for a free handicap shall be paid by the time of acceptance of the weight allotted.~~
2. The person entering a horse ~~shall be is~~ liable for nominating, sustaining, and starting fees. ~~Neither the The subscriber nor such or subscriber's transferee shall receive any are not entitled to a refund of such fees because in the event of the horse death, or withdrawal, of a horse or because of a or mistake in its a horse's entry if the horse is eligible, except as provided in subsection (D)(3) below.~~
3. ~~Entrance~~ The permittee shall not refund entrance money to for a purse race that is run shall not be refundable either for failure of if a horse fails to start or for death of a

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horse dies, unless otherwise provided in the conditions of the race.

4. The permittee shall distribute the entrance money, starting, and subscription fees in every race shall be distributed, as provided in the conditions of the race. If a race is not run, the permittee shall refund all stakes or entrance money, shall be refunded.
 5. No The death of a nominator or subscriber does not void an entry, subscription, or right of entry under it shall become void on the death of the nominator or subscriber.
 6. No A person shall not transfer of a horse to an owner or trainer shall be made for the purpose of avoiding to avoid disqualification. The persons person making or receiving such a transfer may be fined and suspended.
- E. No change.
1. Entries The racing secretary shall close the entries for purse races, the conditions of which have been published previously, shall close at the time advertised in the condition book such publication, and no shall not receive an entry shall be received after that time. If a race fails to fill, additional time may be granted by the stewards.
 2. In the absence of notice to the contrary by the permittee, entries and declarations nominations for stakes which close during or on the eve of a racing meeting shall close at the office of the racing secretary, at the published time, who shall make provisions therefor. Closing for sweepstakes at all other times shall be at the office of the permittee.
 3. When the time for closing is designated, The racing sec-

retary shall not receive entries and declarations for stakes after the designated closing time shall not be received thereafter.

4. Overnight entries shall not be deemed to be finally closed until after the places of declared horses have been filled with horses from the "also-eligible" list. No entry shall be accepted The racing secretary shall not accept an entry after a race has been drawn even though the number of horses on the "also-eligible" list is insufficient to provide a full field.
 5. Any The racing secretary shall consider a horse, which is withdrawn from a race after the overnight entries are finally closed, shall be deemed a scratch. Such a The scratched horse shall lose loses all of its accrued preferences preference accrued up to that date unless it is excused by the stewards.
- F. No change.
1. A declaration in a stakes race shall be made in writing by the An owner, or trainer, of a horse or by the owner's authorized agent shall declare a horse from a stakes, handicap, or qualifying race in writing no later than 1 hour prior to post time of the race.
 2. A The racing secretary shall not give preference to a horse which is declared from the "also-eligible" list of a race shall be given no preference for having entered in that race. Such The horse may retain the position it previously held on the preferred list if a full field is left in the race at scratch time.

NOTICE OF FINAL RULEMAKING

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION

PREAMBLE

1. Sections Affected
R19-3-310
R19-3-311
- Rulemaking Action:
New Section
New Section
2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):
Authorizing statute: A.R.S. § 5-504(B)
Implementing statute: A.R.S. § 5-504(B)
3. The effective date of the rules:
March 6, 1996
4. A list of all previous notices appearing in the Register addressing the final rule:
Notice of Docket Opening:
2 A.A.R. 42, January 5, 1996
Notice of Proposed Rulemaking:
2 A.A.R. 679, January 12, 1996
5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:
Name: Sandy Williams, Executive Director
Address: Arizona State Lottery Commission
4740 East University
Phoenix, Arizona 85034
Telephone: (602) 921-4400

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6. An explanation of the rule, including the agency's reasons for initiating the rule:
R19-3-310 and R19-3-311 set forth provisions unique to the conduct of the Arizona Lottery's instant games. The provisions of these rules are necessary to implement the requirements of A.R.S. § 5-504(B) which have not been specified generically in A.A.C. R19-3-301. The unique provisions described in these rules are the nature and location of play symbols the ticket number, the validation code, the prize denominations, and the method of selecting a winning ticket.
7. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:
Not applicable.
8. The summary of the economic, small business, and consumer impact:
These games will provide our players with a larger variety of instant games with a potential increase in sales. The only impact these rules have upon Lottery retailers is to specify how they determine if a ticket is a winning ticket and, if so, the prize amount.
9. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):
R19-3-310 ("Fat Cat"): In subsection (A), the caption "FIVDOL" was changed to "FIVEDOL".
10. A summary of the principal comments and the agency response to them:
No comments were received by the agency.
11. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:
Not applicable
12. Incorporations by reference and their location in the rules:
Not applicable
13. Was this rule previously adopted as an emergency rule?
No.
14. The full text of the rules follows:

TITLE 19. ALCOHOL, HORSE AND DOG RACING, LOTTERY, AND GAMING

CHAPTER 3. ARIZONA STATE LOTTERY COMMISSION

ARTICLE 3. INSTANT LOTTERY GAMES

Section	
R19-3-310.	"Fat Cat"
R19-3-311.	"Winning Pairs"

ARTICLE 3. INSTANT LOTTERY GAMES

R19-3-310. "Fat Cat"

- A. Six play symbols, which are contiguous to each other in 2 rows, appear under the latex in the play area located on the right side of the front of the ticket and are 1 of the following:

Play Symbols	Caption
\$1	ONEDOL
\$2	TWODOL
\$5	FIVEDOL
\$10	TENDOL
\$20	TWYDOL
\$50	FTYDOL
\$100	ONEHUND
\$1,000	ONETHOU

- B. The pack-ticket number begins with 800001. The pack-ticket number is located in the lower-left side on the back of the ticket.
- C. The retailer-validation code verifies instant winners of \$1, \$2, \$5, \$10, \$20, \$50, and \$100 tickets. The retailer-validation code which corresponds with and verifies each of these winners is as follows:

ONE	=	\$1	TWY	=	\$20
TWO	=	\$2	FFY	=	\$50
FIV	=	\$5	ONH	=	\$100

$$\text{TEN} = \$10$$

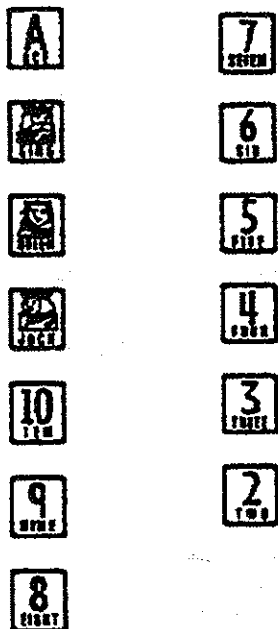
- D. A prize winner in the "FAT CAT" instant game is determined by removing the latex from the play area on the front of the ticket to determine the 6 play symbols. Neither the retailer validation code (or any portion thereof), the pack-ticket number (or any portion thereof), nor the validation number (or any portion thereof), are play symbols and are not usable or playable as such. If the ticket owner matches 3 like play symbols, he or she wins that prize. The prizes are as follows:

Match 3	\$1	=	\$1 (one dollar) or
Match 3	\$2	=	\$2 (two dollars) or
Match 3	\$5	=	\$5 (five dollars) or
Match 3	\$10	=	\$10 (ten dollars) or
Match 3	\$20	=	\$20 (twenty dollars) or
Match 3	\$50	=	\$50 (fifty dollars) or
Match 3	\$100	=	\$100 (one hundred dollars)
			or
Match 3	\$1,000	=	\$1,000 (one thousand dollars)

R19-3-311. "WINNING PAIRS"

- A. Four pairs of 2 play symbols, which are in a horizontal row, appear under the latex in the play area located on the lower portion of the ticket. The 1st pair has "HAND 1" printed above, the 2nd pair has "HAND 2" printed above, the 3rd pair has "HAND 3" printed above, and the 4th pair has "HAND 4" printed above. Play symbol captions correspond with and verify each of the play symbols as follows:

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B. A pack-ticket number beginning with 900001 is located in the lower-left portion on the back of the ticket.

C. Prize symbol captions correspond with and verify each of the prize symbols as follows:

Play Symbols

\$1
\$2
\$5
\$10
\$50
\$100

Caption

ONEDOL
TWODOL
FIVEDOL
TENDOL
FTYDOL
ONEHUND

\$1,000

ONETHOU

D. The retailer-validation code verifies instant winners of \$1, \$2, \$4, \$5, \$10, \$20, \$50, or \$100. The retailer-validation code which corresponds with and verifies each of these winners is as follows:

ONE	=	\$1	TEN	=	\$10
TWO	=	\$2	TWY	=	\$20
FOR	=	\$4	FFY	=	\$50
FIV	=	\$5	ONH	=	\$100

E. A prize winner in the "WINNING PAIRS" instant game is determined by removing the latex from the play area on the front of the ticket to determine the 4 pairs of 2 play symbols. Neither the retailer-validation code (or any portion thereof), the pack-ticket number (or any portion thereof), nor the validation number (or any portion thereof) are play symbols and are not usable or playable as such. If the player's cards match each other in either "HAND 1", "HAND 2", "HAND 3", or "HAND 4", the player wins the amount printed below. There may be 4 ways to win on a ticket. The prizes are as follows:

\$1	=	\$1 (one dollar) or
\$2	=	\$2 (two dollars) or
\$1 + \$1	=	\$2 (two dollars) or
\$1 + \$1 + \$1 + \$1	=	\$4 (four dollars) or
\$2 + \$2 + \$1	=	\$5 (five dollars) or
\$2 + \$3	=	\$5 (five dollars) or
\$5 + \$5	=	\$10 (ten dollars) or
\$5 + \$2 + \$2 + \$1	=	\$10 (ten dollars) or
\$5 + \$5 + \$10	=	\$20 (twenty dollars) or
\$10 + \$5 + \$3 + \$2	=	\$20 (twenty dollars) or
\$50	=	\$50 (fifty dollars) or
\$100	=	\$100 (one hundred dollars)
	=	or
\$1,000	=	\$1,000 (one thousand dollars)